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New York Clearing House
Association

Constitution ... with
amendments

[New York]

1898

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CONSTITUTION
OF THE
New York Clearing House
ASSOCIATION,
WITH AMENDMENTS.

ALSO CLEARING HOUSE RULES, SCALE OF FINES AND HOLIDAY
LAWS OF NEW YORK STATE.

NOVEMBER, 1898.

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CONSTITUTION

OF THE

New York Clearing House

ASSOCIATION,

WITH AMENDMENTS.

ARTHUR, MOUNTAIN & CO.,
56 CEDAR ST., N. Y.

ALSO CLEARING HOUSE RULES, SCALE OF FINES AND HOLIDAY
LAWS OF NEW YORK STATE.

NOVEMBER, 1898.

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CONSTITUTION.

SEC. 1. The name of this Association shall be "THE NEW YORK CLEARING HOUSE ASSOCIATION."

SEC. 2. The objects of the Association shall be the effecting at one place of the daily exchanges between the several Associated Banks, and the payment at the same place of the balances resulting from such exchanges. But the Association shall be in no wise responsible in regard to such exchanges, nor in regard to the balances resulting therefrom, except so far as such balances shall be actually paid into the hands of the Manager. The responsibility of the Association is strictly limited to the faithful distribution by the Manager among the creditor Banks, for the time being, of the sums actually received by him; and should any loss occur whilst the said balances are in the custody of the Manager, they shall be borne and paid by the Associated Banks in the same proportion as the other expenses of the Clearing House, as hereinafter provided for.

Responsibility for
loss in balances.

Born borne.

SEC. 3. The Association at present consists of the following members:

Bank of New York,	Mercantile Bank,
Manhattan Company,	Pacific Bank,
Merchants' Bank,	Bank of the Republic,
Mechanics' Bank,	Clatham Bank,
Union Bank,	People's Bank,
Bank of America,	Bank of North America,
Phoenix Bank,	Hanover Bank,
City Bank,	Irving Bank,
North River Bank,	Metropolitan Bank,
Tradesmen's Bank,	Citizens' Bank,
Fulton Bank,	Knickerbocker Bank,
Chemical Bank,	Grocers' Bank,
Merchants' Exchange Bank,	Empire City Bank,
National Bank,	Nassau Bank,
Butchers' and Drovers' Bank,	East River Bank,
Mechanics' and Traders' Bank,	Market Bank,
Greenwich Bank,	St. Nicholas Bank,
Leather Manufacturers' Bank,	Shoe and Leather Bank,
Seventh Ward Bank,	Corn Exchange Bank,
Bank of the State of New York,	Central Bank,
American Exchange Bank,	Continental Bank,
Mechanics' Banking Association,	Bank of the Commonwealth,
Bank of Commerce,	Oriental Bank,
Bowery Bank,	Marine Bank,
Broadway Bank,	Atlantic Bank,
Ocean Bank,	

Original members,
October, 1853.

MEETINGS.

Each member entitled to one vote.

SEC. 4. Each Bank belonging to the Association shall be represented at all meetings thereof by one or more of its principal officers, and shall be entitled to one vote.

Annual Meeting.

SEC. 5. A general meeting of the Association shall be holden at the Clearing House on the first Tuesday in October in each year, at one o'clock P. M. At every annual meeting a President shall be elected by ballot, to preside at that meeting and all subsequent meetings during the year. Whenever he shall be absent a Chairman *pro tem.* shall be appointed. At the same meeting a Secretary shall also be elected by ballot.

Election of Officers.

Special Meetings.

SEC. 6. Special meetings shall be called by the Clearing House Committee, whenever they may deem it expedient, or whenever they shall be thereto requested by any seven of the Associated Banks.

Quorum.

SEC. 7. At all meetings of the Association a quorum for the transaction of business shall consist of a majority of the whole number of Associated Banks.

RESOLUTION—*Adopted June 23d, 1857.*

Fine for Absence from meetings.

Resolved, That a fine of three dollars be imposed upon every Bank not represented at roll call at each duly called meeting of the Association, without reasonable excuse. The fund created by such fines to be appropriated in such manner as may be directed by the President of the Association.

CLEARING HOUSE COMMITTEE.

Powers and duties.

SEC. 8. At every annual meeting a Standing Committee of five Bank Officers shall be elected by the majority and by ballot, to be called the Clearing House Committee, whose duty it shall be to procure from time to time a suitable room or rooms for the Clearing House; to provide proper books, stationery, furniture, fuel, and whatever else may be necessary for the convenient transaction of

business thereat; to appoint a Manager annually, and such clerks as may be necessary; to establish rules and regulations to be observed at the Clearing House in cases not provided for in this Constitution, subject to the approval of the Association, and generally to supervise the Clearing House affairs. This Committee shall have charge of the funds belonging to the Association; shall draw on each Bank for its quota of the expenses, and shall, also, at the first meeting of the Association after their election, submit detailed estimates of the expenditures that will be required for the Clearing House during the current year.

AMENDMENT—*Adopted June 4th, 1854.*

Add to Section 8, as follows: "The Clearing House Committee is also empowered, whenever it shall consider it for the interest of the Association, to examine any bank member of the Association, and to require from any member securities of such an amount and character as said Committee may deem sufficient for the protection of the balances resulting from the exchanges of the Clearing House."

Power to examine Banks.

FOR AMENDMENT—*Adopted Jan. 13th, 1859, Sec. 8.*

MANAGER AND CLERKS.

SEC. 9. The salary of the Manager shall always be fixed by the Association. The salaries of the clerks shall be fixed by the Clearing House Committee. The Manager shall give a bond, with sureties in the sum of ten thousand dollars, and each clerk in the sum of five thousand dollars, to be approved by said Committee.

Manager and clerks shall give bonds.

SEC. 10. The Manager, under control of the Clearing House Committee, shall have immediate charge of all business at the Clearing House, so far as relates to the manner in which it shall be transacted; and the clerks of the establishment, as well as the settling clerks and porters of the several Associated Banks, while at the Clearing House, shall be under his direction.

Managers' duties.

Power to remove.

SEC. 11. The Clearing House Committee shall have power to remove the Manager or any of the clerks, whenever, in the opinion of the Committee, the interest of the Association shall require.

EXCHANGES AND BALANCES.

Hours for making exchanges and settlement of balances.

SEC. 12. The hour for making Exchanges at the Clearing House shall be 10 o'clock, A. M., precisely. Between the hours of 12½ and 1½ o'clock, P. M., the debtor Banks shall pay to the Manager at the Clearing House the balances against them, either in actual coin, United States Legal tender notes, or in the certificates hereinafter mentioned, except fractional amounts. At 1½ o'clock, P. M., or as soon thereafter as the amounts can be made up and proved, the creditor Banks shall receive from the Manager, at the same place, the respective balances due to them, provided all the balances due from the debtor Banks shall have been paid. The Association, by a vote of three-fourths of those present, at a meeting called for that purpose, may change the hour for making the exchanges and the settlement of balances.

AMENDMENT—Adopted October 6th, 1896.

Banks' receipt on items in Exchanges.

Resolved: That on and after the sixth day of October, 1896, all checks, drafts, notes, bills of exchange and other items sent through the exchanges by members of this Association, shall bear stamped or written receipt, in the following form:

Received Payment
Through New York Clearing House,
(date)
Name of Bank (and No. if desired.)

Requisition in case of failure to pay balance.

SEC. 13. Should any one of the Associated Banks fail to appear at the Clearing House at the proper hour prepared to pay the balance against it, the amount of that balance shall be immediately furnished to the Clearing House by the several Banks exchanging at that establishment with

the defaulting Bank, in proportion to their respective balances against that Bank, resulting from the exchanges of the day, and the Manager shall make requisitions accordingly, so that the general settlement may be accomplished with as little delay as possible. The respective amounts so furnished the Clearing House on account of the defaulting Bank will, of course, constitute claims on the part of the several responding Banks against that Bank; but, as before stated, the Association shall in no wise be responsible therefor.

SEC. 14. Errors in the exchanges, and claims arising from the return of checks, or from any other cause, are to be adjusted directly between the Banks who are parties to them, and not through the Clearing House, the Association being in no way responsible in respect to them.

Errors in exchanges.

SEC. 15. Reclamations for errors and deficiencies in specie or United States legal tender notes, received at the Clearing House, contained in bags or packages, sealed and marked in conformity with any rules established upon that subject by the Clearing House Committee, shall be made by *one o'clock P. M., on the following day*, by the receiving Bank directly against the Bank whose mark the sealed bag or package bears. *Notice of such error shall be sent to the Bank immediately upon discovery*, the Association not being responsible for the contents of such sealed bags or packages.

Reclamation for errors in money.

All checks, drafts, notes, or other items in the exchanges, returned as "not good" or mis-sent, shall be returned the same day directly to the Bank from whom they were received, "and the said Bank shall immediately refund to the Bank returning the same the amount which it had received through the Clearing House for the said checks, drafts, notes, or other items so returned to it, in specie or legal tender notes. But, checks, drafts, notes, or other items to be returned for endorsement or informality may, after being certified by the Bank returning it, be returned through the exchanges the following morning not exceeding \$5,000 in amount to any one bank.

Mis-sent and not good checks.

Checks, Drafts, etc., returned for informality.

AMENDMENT—*Adopted June 4th, 1884.*

Add to section 15 as follows: "In case of the refusal or inability of any Bank to promptly refund to the Bank presenting such checks, drafts or other items, returned as not good, the Bank holding them may report to the Manager the amount of the same. And it shall be the Manager's duty, with the approval of the Clearing House Committee, to take from the settling sheet of both Banks the amount of such checks, drafts or other items so reported, and to readjust the Clearing House statement and declare the correct balance in conformity with the change so made, provided that such report shall be given.

RESOLUTION—*Adopted June 4th, 1896.*

Resolved, That on and after the 1st day of July, 1896, members of this Association shall not send through the exchanges any checks, sight drafts, notes, bills of exchange or other items having thereon any qualified or restrictive endorsement, such as "for collection" or "for account of," unless all endorsements thereon are guaranteed by the Bank, member of the Association, sending such checks, drafts, notes, bills of exchange or other items.

Any such items sent in violation of the above requirements shall be returned directly to the member from whom they were received, and shall in all respects be subject to the regulations contained in Section 15 of the Constitution of the New York Clearing House Association.

SEC. 16. Every Bank, member of the Clearing House Association, shall furnish a weekly statement of its condition to the Manager, for publication, showing the average amount of—

- 1st. *Loans and Discounts.*
- 2d. *Specie.*
- 3d. *Legal Tender Notes.*
- 4th. *Circulation.*
- 5th. *Deposits.*

DEPOSITARY FOR ASSOCIATED BANKS.

SEC. 17. The Associated Banks may, from time to time, appoint one of their own number, or the Assistant Treasurer of the United States at New York, to be a depositary

Action in case of refusal to refund money for not good checks, etc.

Endorsements "for Collection, etc."

Weekly Statement

Certificates may be issued upon deposit of gold or legal tenders.

to receive, in special trust, such coin, or United States legal tender notes, as any of the Associated Banks may choose to send to it for safe keeping. The Depositary shall issue certificates in exchange for such coin or United States legal tender notes, in proper form, and for convenient amounts. Such certificates shall be negotiable only among the Associated Banks, and shall be received by them in payment of balances at the Clearing House. Such special deposits of coin or United States legal tender notes are to be entirely voluntary—each Bank being left perfectly free to make them or not, at its own discretion. The coin or notes thus placed on special deposit are to be the absolute property of such of the Associated Banks as shall, from time to time, be the holders of the certificates, and are to be held by the Depositary subject to withdrawal on the presentation of the proper certificates at any time during banking hours.

RESOLUTION—*Adopted, October 3d, 1893.*

Resolved, That the Clearing House Committee are hereby authorized to make such arrangements and provisions as may be necessary, to receive and store gold coin and issue Clearing House Certificates for the same, under such rules and regulations as may be prescribed by said Committee.

Clearing House Committee may Store Gold.

RESOLUTION—*Adopted, December 22d, 1893.*

Resolved, That any loss arising from the receipt and storage of gold coin, and the issue of certificates therefor, under the authority given the Clearing House Committee October 3d, 1893, shall be borne by the Banks comprising the New York Clearing House Association, pro rata of Capital and Surplus; and this Resolution shall be ratified by the Boards of the respective Banks, members of the Association, and a certified copy of such consent delivered to the Chairman of the Clearing House Committee.

Provision for Any Loss.

RESOLUTION—*Adopted, October 2d, 1860.*

Resolved, Any member of the Clearing House Association who shall pay or deliver to any party, other than a member of the said Association, the certificates of deposit of the Clearing House Depositary, shall be subject to a fine of \$100 (one hundred dollars).

Penalty for payment of Depositary Certificates to parties not members.

NEW MEMBERS.

Initiation Fee.

SEC. 18. New members may be admitted into the Association at any meeting thereof. Such new members shall signify their assent to this Constitution in the same manner as the original members, and shall pay an admission fee according to their respective capitals, as follows :

** Banks whose capital does not exceed \$5,000,000 shall pay.....\$5,000*
" " " exceeds \$5,000,000 " "\$7,500

Any Bank, member of the Clearing House Association, increasing its capital, shall pay, in addition to the above, a sum to correspond with these rates.

Three-fourths
vote of those
present necessary
to admit.

But no new members shall be admitted, except by a vote of three-fourths of those present—such vote to be taken by ballot. Provided, however, that it shall be competent, by a vote of three-fourths of those present, to impose such conditions as the Association may deem expedient at the time of such admission.

COMMITTEE ON ADMISSIONS.

SEC. 19. A Standing Committee of five Bank Officers shall be appointed at every annual meeting, to whom all applications for admission into the Association shall be referred for examination.

RESOLUTION—Adopted April 26th, 1882.

Application re-
ferred directly to
Committee on Ad-
missions.

Resolved, That under Section 19 of the Constitution of this Association, the Clearing House Committee may refer all applications for admission to the Committee on Admissions, instead of calling a meeting of the Association for that purpose.

Expulsion.

SEC. 20. For cause deemed sufficient by the Associated Banks, at any meeting thereof, any Bank may be expelled from the Association, and debarred from all the privileges of the Clearing House, provided a majority of the whole number of Associated Banks vote in favor thereof.

** Amendment Adopted October 3d, 1893.*

CONFERENCE COMMITTEE.

SEC. 21. A Standing Committee of five Officers of Banks, shall be elected at every annual meeting, who, acting in concurrence with the Clearing House Committee, shall have power, in case of extreme emergency, to suspend any Bank from the privileges of the Clearing House until the pleasure of the Association thereupon shall be ascertained. But no such suspension shall take place unless a majority, at least, of each of these two Committees shall be present at the ordering thereof, nor unless the vote be unanimous. In case of such suspension the Clearing House Committee shall forthwith call a general meeting of the Association to take the matter into consideration.

Power to suspend.

SEC. 22. Any member of the Association may withdraw therefrom at pleasure—first paying its due proportion of all expenses incurred, and signifying its intention to withdraw to the Clearing House Committee.

Withdrawal from
Association.

EXPENSES.

SEC. 23. The expenses of the Clearing House, not including the expense of printing for the several Banks (which last mentioned expense shall be apportioned equally), shall be borne and paid as follows : **Each Bank shall be assessed Two Hundred Dollars, and the balance necessary after that amount, pro rata, according to the average amount which they shall have sent to the Clearing House for the preceding year.*

How apportioned.

COMMITTEE OF ARBITRATION.

SEC. 24. At every annual meeting a Standing Committee of five Bank Officers shall be appointed, to be called the Committee of Arbitration, whose duty it shall be to hear and determine all disputes that may be submitted to them by both parties thereto; any member of the Association being one. Such Committee shall record a brief

Duties.

**Amendment adopted October 29th, 1873.*

abstract of each case referred to them, together with their decision thereon, in a book to be provided for that purpose, which book shall be kept at the Clearing House, open to the inspection of all members of the Association. The first Committee shall be appointed immediately upon the adoption of this amendment, and shall serve until the next annual meeting.

CLEARING FOR NON-MEMBERS.

SEC. 25. Whenever exchanges shall have been made at the Clearing House, by previous arrangement between members of the Association through one of their own number and Banks in the city and vicinity who are not members, the receiving Bank at the Clearing House shall in no case discontinue the arrangement without giving previous notice—which notice shall not take effect until the exchanges of the morning following the receipt of such notice shall have been completed.

RESOLUTION—*Adopted February 13th, 1865.*

Resolved, That no member of the Clearing House Association shall be allowed to make the exchanges for, or redeem the notes or checks of any other Bank or Banks, not members of said Association, without first giving notice over the signature of one of its officers of the fact of such redemption nor shall such redemption be discontinued but upon notice in the manner prescribed by Section 25 of the Constitution.

AMENDMENT—*Adopted April 26th, 1865.*

Whenever any member of the Association shall send through the Clearing House the exchanges of any Bank or Banks in the city or vicinity, who are not members, such sending shall, *ipso facto*, and without other notice, constitute said member the agent for said Bank or Banks at the Clearing House; and said member shall be liable in the premises the same as for its own transactions, and its liability in all such cases shall continue until after the completion of the exchanges of the morning next following the receipt of notice of discontinuance of any such agency.

When notice to
discontinue takes
effect.

Notices to be
issued by
members.

See Resolution of
Oct. 14th 1866.

Liabilities.

RESOLUTION—*Adopted May 23d, 1866.*

Resolved, That the liabilities of Banks in the Clearing House doing business for Banks in the vicinity are, under the amendment to the Constitution, passed April 26th, 1865, the same as for their own transactions.

AMENDMENT—*Adopted October 14th, 1890.*

Resolved, That on and after January 1st, 1891, this Association permits its members to make such exchanges only after the consent of the Clearing House Committee shall have been obtained and the Banks or parties shall have obligated themselves to pay to the Clearing House Association an annual payment of \$200, and shall also consent to the same examinations as are now required of its members, provided, however, that nothing contained in this Resolution shall be construed as making such Banks or parties members of the Association.

AMENDMENT—*Adopted December 21st, 1896.*

Resolved, that the amendment to the Constitution adopted October 14th, 1890, assessing Banks and others not members of this Association and clearing through members, \$200 annually, be amended by increasing such amount to \$500 annually; this amendment to take effect on and after January 1st, 1897.

ADOPTION OF CONSTITUTION.

SEC. 26. This Constitution, when agreed to by the Association at any general meeting thereof by a majority of votes, shall be submitted to the respective Boards of Directors of the several Banks herein named as members of the Association for their adoption. When adopted by a majority of the whole number of Banks it shall be deemed and taken to be in full force and operation. Adoption shall be signified by the signature of the proper officer of the Bank to two copies hereof, one to be kept by the Chairman of the Clearing House Committee and the other by the Secretary of the Association. A copy of the vote or resolution of the Board authorizing such signature shall be

Liabilities.

Consent to clear
necessary.

Fees. (See
Amendment Dec.
21st, 1896.

Non-Members'
Fees.

Copy of Resolu-
tions to be filed.

deposited with the Secretary. Such Banks as shall not adopt this Constitution within two months from the time it is agreed to in general meaning, as above mentioned, shall, at the expiration of such two months, cease to be members of the Association; provided the Constitution shall then be in operation.

SEC. 27. Amendments of this Constitution may be made at any meeting of the Association by the vote of a majority of all the members thereof; notice of the proposed amendments having been given at a previous meeting.

NOMINATING COMMITTEE.

RESOLUTIONS—*Adopted September 22d, 1871.*

1st. There shall be chosen yearly at the annual election a committee of five members, to be called "The Nominating Committee," whose duty it shall be to present to the Association at each annual election names of candidates for President and Secretary of the Association, and for members of the three committees on the following basis: The President and Secretary shall be eligible for two successive years; and after an interval of one year, shall be again eligible in like manner.

2d. There shall be selected every year, two, at least, new members on each of the committees (having still three old members), and those who have been longest on the committee shall go off first. If all have been on the same length of time, then two shall go off by lot; and after an interval of one year, such members shall be deemed again eligible.

RESOLUTION—*Adopted April 8th, 1872.*

Resolved, That the Clearing House Committee be and is hereby directed, whenever it appears, in its judgment, that legal tender notes have been withdrawn from use through the agency of any Bank member of the Association, to make an immediate examination of the Bank in question, and, should there appear to be complicity on the part of the Bank or its officials, to suspend said Bank from the Clearing House until action of the Association shall be taken thereon.

Amendment.

Shall nominate officers and committees.

Eligibility of President and Secretary.

Composition of Committees.

Action in event of withdrawal of legal tenders from use.

AMENDMENT—*Adopted April 25th, 1876.*

If vacancies occur in any of the Committees of this Association, the remaining members of the Committee shall have power to fill the same.

Power to fill vacancies in Committees.

AMENDMENT—*Adopted October 2d, 1888.*

The President of the Association shall be ex-officio member of all Committees, except the Committee on Nominations.

President ex-officio member of Committees.

AMENDMENT—*Adopted December 8th, 1892.*

Wherever the words "Chairman of the Association" occur, substitute in place thereof, "President of the Association."

President of the Association.

MEMBERS OF THE ASSOCIATION.

NOVEMBER 1st, 1868.

No.	No.
1. Bank of New York, N. B. A.,	47. Continental National Bank,
2. Bank of the Manhattan Co.,	49. Oriental Bank,
3. Merchants' National Bank,	53. Importers' & Traders' Nat'l Bk.,
4. Mechanics' National Bank,	54. National Park Bank,
6. Bank of America,	59. East River National Bank,
7. Phenix National Bank,	61. Fourth National Bank,
8. National City Bank,	62. Central National Bank,
12. Chemical National Bank,	63. Second National Bank,
13. Merchants' Exchange Nat'l Bank,	64. Ninth National Bank,
14. Gallatin National Bank,	65. First National Bank,
15. Nat'l Butchers' & Drovers' Bk.,	67. N. Y. Nat'l Exchange Bank,
16. Mechanics' & Traders' Bank,	70. Bowery Bank,
17. Greenwich Bank,	71. N. Y. County National Bank,
18. Leather Manufacturers' Nat'l Bk.,	72. German-American Bank,
19. Seventh National Bank,	74. Chase National Bank,
20. Bank of the State of N. Y.,	75. Assist. Treas. U. S. at N. Y.,
21. American Exchange Nat'l Bank,	76. Fifth Avenue Bank,
22. National Bank of Commerce,	77. German Exchange Bank,
23. National Broadway Bank,	78. Germania Bank,
27. Mercantile National Bank,	80. Lincoln National Bank,
28. Pacific Bank,	81. Garfield National Bank,
29. National Bank of the Republic,	82. Fifth National Bank,
30. Clatham National Bank,	83. Bank of the Metropolis,
31. People's Bank,	84. West Side Bank,
32. National Bank of North America,	85. Seaboard National Bank,
33. Hanover National Bank,	86. Sixth National Bank,
34. Irving National Bank,	87. Western National Bank,
36. National Citizen's Bank,	88. First National Bank, Brooklyn,
39. Nassau Bank,	90. National Union Bank,
42. Market and Fulton National Bk.,	91. Liberty National Bank,
44. National Shoe & Leather Bank,	92. N. Y. Produce Exchange Bank,
45. Corn Exchange Bank,	93. Bank of New Amsterdam.

RULES OF THE CLEARING HOUSE ASSOCIATION.

- 1st.—RETURN OF CHECKS, DRAFTS, ETC., for informality, not good, mis-sent, guarantee of endorsement, or for any other cause, should be made before THREE o'CLOCK, of the same day.
- 2d.—RECLAMATION FOR ERRORS of any kind, in packages of LEGAL TENDER NOTES from the Clearing House, in settlement of Balances, should be made before ONE o'CLOCK, on the following day.
- 3d.—IN NO CASE SHOULD CHECKS, DRAFTS, ETC., BE RETURNED THROUGH THE EXCHANGES, except for informality or endorsement, and then, in each case, they should be certified, and the amount limited to \$5,000 to each Bank.
- 4th.—IN CASE OF A MISSING ITEM in an exchange, the claim should be made at once, by returning the entire exchange, with a memorandum stating the nature of the claim.
- 5th.—PACKAGES CONTAINING LEGAL TENDER NOTES, to be used in payment of Balances at the Clearing House, should be made up in even amounts of \$1,000, \$2,000, \$3,000, \$4,000, \$5,000, \$10,000, \$20,000, \$50,000 and \$100,000 each, and all Notes of a smaller denomination than \$500 should be put in packages of not over \$5,000. All packages should be sealed and distinctly marked with the name of the Bank, the amount and date.
- 6th.—DEBIT BANKS should avoid, as much as possible postponing the payments of balances to a late hour, as it sometimes causes serious delay in making up and paying the Creditor Banks, at the Clearing House.

SCALE OF FINES.

In force at the Clearing House.

Forty-five minutes from the hour of commencing, viz., 10 o'clock A. M., will be allowed for a Proof.

For all errors, remaining undiscovered at 11.15 A. M., the fines will be doubled, and at 12 M., quadrupled.

- 1st.—All errors on the Credit side of the Settling Clerk's statement (i.e., in the **amount brought**) whether of footing or entry, and all errors causing disagreement between the credit entries, the check tickets, and the exchange slips—each - \$3 00
- 2d.—Errors in making the Debit (i. e., **amount received**) entries—each - - - - 2 00
- 3d.—**Errors in the Tickets** reported to the Clearing House, causing disagreement between the balances and aggregate—each - - - - 2 00
- 4th.—**Errors in footing** the amount received - 1 00
- 5th.—**Disorderly Conduct** of Clerk or Delivery Clerk, at the Clearing House; or **disregard of the Manager's instructions**—each offense - 2 00
- 6th.—Clerk or Delivery Clerk **failing to attend punctually**, with statements and tickets complete, at the morning exchanges—each - 2 00
- 7th.—Debtor Banks, **failing to appear to pay** their balances before 1.30 P. M. - - - - 3 00
- 8th.—Errors in **delivery or receipt** of exchanges—each - - - - 1 00

Extract from the Constitution of the Clearing House:

SECTION 10. The Manager, under control of the Clearing House Committee, shall have immediate charge of all business at the Clearing House so far as relates to the manner in which it shall be transacted; and the clerks of the establishment, as well as the Settling Clerks and Porters of the several Associated Banks, while at the Clearing House, shall be under his direction.

LEGAL HOLIDAYS, NEW YORK STATE.

Chap. 603.

AN ACT to further amend chapter twenty-seven of the laws of eighteen hundred and seventy-five, entitled "An act to designate the holidays to be observed in the acceptance and payment of bills of exchange, bank checks and promissory notes," as amended by chapter thirty of the laws of eighteen hundred and eighty-one, and chapter two hundred and eighty-nine of the laws of eighteen hundred and eighty-seven, designating Lincoln's birthday as a public holiday.

BECAME a law May 11, 1895, with the approval of the Governor. Passed, three-fifths being present.

The people of the State of New York, represented in Senate and Assembly, do enact as follows:

SECTION 1. Section one of chapter twenty-seven of the laws of eighteen hundred and seventy-five, entitled "An act to designate the holidays to be observed in the acceptance and payment of bills of exchange, bank checks and promissory notes," as amended by chapter thirty of the laws of eighteen hundred and eighty-one, and chapter two hundred and eighty-nine of the laws of eighteen hundred and eighty-seven, is hereby further amended so as to read as follows:

§ 1. The following days and half days, namely: The first day of January, commonly called New Year's Day; the twelfth day of February, known as Lincoln's birthday; the twenty-second day of February, known as Washing-

ton's birthday; the thirtieth day of May, known as Decoration Day; the fourth day of July, called Independence Day; the first Monday of September, to be known hereafter as Labor Day; the twenty-fifth day of December, known as Christmas Day; and general election day in this State: every Saturday from twelve o'clock at noon until twelve o'clock at midnight which is hereby designated as a half-holiday; and any day appointed or recommended by the governor of this State, or the President of the United States, as a day of thanksgiving, or fasting and prayer, or other religious observance, shall, for all purposes whatever as regards the presenting for payment or acceptance, and of the protesting and giving notice of the dishonor of bills of exchange, bank checks and promissory notes, made after the passage of this act, be treated and considered as the first day of the week, commonly called Sunday, and as public holidays or half-holidays; and all such bills, checks and notes otherwise presentable for acceptance or payment on any of the said holidays shall be deemed to be payable and be presentable for acceptance or payment on the secular business day next succeeding such holiday; but in the case of a half-holiday shall be presentable for acceptance or payment at or before twelve o'clock noon of that day; provided, however, that for the purpose of protesting or otherwise holding liable any party to any bill of exchange, check or promissory note, and which shall not have been paid before twelve o'clock at noon on any Saturday, a demand of acceptance or payment therefor may be made and notice of protest or dishonor thereof may be given on the next succeeding secular business day. And provided, further, that when any person shall receive for collection any check, bill of exchange or promissory note, due and presentable for acceptance or payment on any Saturday, such person shall not be deemed guilty of any neglect or omission of duty, nor incur any liability in not presenting for payment or acceptance, or collecting such check, bill of exchange, or

promissory note on that day. And provided, further, that in construing this section, every Saturday, unless a whole holiday as aforesaid, shall, until twelve o'clock noon, be deemed a secular business day. And the days and half days aforesaid shall be considered as the first day of the week, commonly called Sunday, and as public holidays or half-holidays, for all purposes whatsoever as regards the transaction of business in the public offices of this State, or counties of this State. On all other days, half days, excepting Sundays, such offices shall be kept open for the transaction of business.

§ 2. Whenever the first day of January, the twelfth day of February, the twenty-second day of February, the thirtieth day of May, the fourth day of July, or the twenty-fifth day of December shall fall upon Sunday, the Monday next following shall be deemed a public holiday for all or any of the purposes aforesaid; provided, however, that in such case all bills of exchange, checks and promissory notes, made after the passage of this act, which would otherwise be presentable for acceptance or payment on the said Monday, shall be deemed to be presentable for acceptance or payment on the secular or business day next succeeding such holiday.

AMENDMENT TO THE CONSTITUTION.

Adopted March 13th, 1899.

Add to Section 8 as follows: The Clearing House Committee shall have power to establish rules and regulations regarding collections outside of the City of New York, by members of the Association or banks or trust companies or others clearing through such members, and the rates to be charged for such collections, and also providing for enforcement of the same. The Committee may from time to time make any additions to, or changes in, such rules and regulations as it deems judicious. After any rule or regulation upon the subject has been once established, it shall not, however, be altered or rescinded until it has been in force at least three months, except by majority vote of the Clearing House Association.

Exchange on out
of town collections.

RULES AND REGULATIONS

REGARDING COLLECTIONS OUTSIDE OF THE CITY OF NEW YORK.

Pursuant to authority conferred upon it by the Constitution of the New York Clearing House Association, the Clearing House Committee of said Association establishes the following rules and regulations regarding collections outside of the City of New York, by members of the Association, or banks, trust companies, or others clearing through such members, and the rates to be charged for such collections, and also regarding enforcement of the provisions hereof

SEC. 1. These rules and regulations shall apply to all members of the Association, and to all banks, trust companies or others clearing through such members. The parties to which the same so apply are hereinafter described as collecting banks.

SEC. 2. For items collected for the accounts of, or in dealings with the Governments of the United States, the State of New York, or the City of New York, and for items payable in the cities of Boston, Mass., Providence, R. I., Albany, N. Y., Troy, N. Y., Jersey City, N. J., Bayonne, N. J., Hoboken, N. J., Newark, N. J., Philadelphia, Penn., Baltimore, Md., the charge shall in all cases be discretionary with the collecting bank and the same shall not be governed by the provisions of these rules and regulations.

SEC. 3. For all items from whomsoever received (except on those points declared discretionary in Section 2), payable at points in Connecticut, Delaware, District of Columbia, Indiana, Illinois, Kentucky, Maine, Maryland, Massachusetts, Michigan, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Wisconsin, the collecting banks shall charge not less than one-tenth of one per cent. ($\frac{1}{10}\%$) of the amount of the items respectively.

SEC. 4. For all items from whomsoever received payable at points in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Indian Territory, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming and Canada, the collecting banks shall charge not less than one-quarter of one per cent. ($\frac{1}{4}\%$) of the amount of the items respectively.

SEC. 5. In case the charge upon any item at the rates above specified does not equal ten cents (10c.), the collecting bank shall charge not less than that sum; but all items received from any one person at the same time and payable at the same place may be added together and treated as one item for the purpose of fixing the amount chargeable.

SEC. 6. *The charges herein specified shall in all cases be collected at the time of deposit or not later than the tenth day of the following calendar month. No collecting bank shall, directly or indirectly, allow any abatement, rebate, or return for or on account of such charges or make in any form, whether of interest on balances or otherwise, any compensation therefor.*

SEC. 7. Every collecting bank, trust company or other corporation not a member of the Association, but clearing through a member thereof, shall forthwith adopt by its Board of Directors a resolution in the following terms, and file a certified copy thereof with the Association as evidence as therein specified:

Whereas, This corporation has acquired the privilege of clearing and making exchange of its checks through the New York Clearing House Association, and is subject to its rules and regulations, Now, therefore, *Be it Resolved* that this corporation hereby in all respects assents to and agrees to be bound by and to comply with all rules and regulations regarding collections outside of the City of New York, which may be established pursuant to the Constitution of said Association, and that the President of this corporation is hereby instructed to file a certified copy of this resolution with the Clearing House Association as evidence of such assent and agreement on the part of this corporation.

SEC. 8. In case any member of the Association shall learn that these rules and regulations have been violated by any of the collecting banks, it shall immediately report the facts to the Chairman of the Clearing House Committee, or in his absence, to the Manager of the Association. Upon receiving information from any source that there has been a violation of the same, said Chairman, or in his absence said Manager shall call a meeting of the Committee. The Committee shall investigate the facts and determine

whether a formal hearing is necessary. In case the Committee so concludes, it shall instruct the Manager to formulate charges and present them to the Committee. A copy of the charges, together with written notice of the time and place fixed for hearing regarding the same, shall be served upon the collecting bank charged with such violation, which shall have the right at the hearing to introduce such relevant evidence and submit such argument as it may desire. The Committee shall hear whatever relevant evidence may be offered by any person and whatever arguments may be submitted and shall determine whether the charges are sustained. In case it reaches the conclusion that they are, the Committee shall call a special meeting of the Association and report thereto the facts with its conclusions. *If the report of the Committee is approved by the Association, the collecting bank charged with such violation shall pay to the Association the sum of five thousand dollars, and in case of a second violation of these rules and regulations, any collecting bank may also in the discretion of the Association be excluded from using its privileges directly or indirectly, and, if it is a member, expelled from the Association.*

Resolved, that the foregoing rules and regulations are hereby established and adopted and shall take effect upon the third day of April, 1899.

29668

**END OF
TITLE**